



August 19, 2005

California Department of Water Resources
Division of Planning and Local Assistance
ATTN: Tracie Billington
P.O. Box 942836
Sacramento, CA 94236-0001

Sent via email to: tracieb@water.ca.gov

RE: IRWM Draft PSP for Implementation Grants, Step 2

Dear Ms. Billington:

The Nature Conservancy respectfully submits the following comments on the proposed project solicitation package for projects funded by Proposition 50 under the Integrated Regional Water Management Implementation Grant Program, Step 2. Protecting communities from drought, protecting and improving water quality, and improving local water security by reducing dependence on imported water is of great importance to us. We appreciate and applaud your efforts to develop a granting program which encourages integrated regional strategies for management of California's precious water resources.

Exhibit F

Pages 36-38

On page 36, this exhibit requires any references cited in the tables be submitted with the application, whereas on page 38, documentation is to be made available to reviewers upon request. The directions as to when a document needs to be submitted are confusing in this exhibit and others. Also, requiring all references to be submitted with the proposal seems overly burdensome to the applicants, especially for references that are not available in an electronic format or that are commonly available (such as the Engineering News-Record Construction Cost Index mentioned on page 37). We suggest that references in all exhibits be made available on request and not be submitted with the application, unless the applicant deems it necessary to their proposal.

Page 41

The Narrative Description of the Proposal Benefits lists as one of the benefits, "Water revenue from sales to another purveyor or third party." We don't believe that revenue generation per se is a benefit to the state and request that it be deleted from the benefits list.

Additionally, in the Narrative Description of the Proposal Benefits, applicants should be required to describe who the beneficiaries of their proposal are for each benefit type.

(Exhibit F continued)

Page 42

The Benefits Analysis section requires applicants to discuss, “any uncertainty about the future that might affect the level of benefit received.” This requires too much speculation on behalf of the applicants, and at great cost in both monetary and practical terms. Alternatively, we suggest this statement; “The applicant should also include a discussion of any reasonably foreseeable event in the future that might affect the level of benefits received.”

Additionally, we suggest you consider holding mandatory workshops on the Benefits Analysis segment with the applicants invited back for Step 2. The workshops would be intended to facilitate consistency with how the applicants approach the Benefits Analysis. As this segment is currently structured, project proponents are required to make assumptions about their projects, and the results of the analyses will have a lot of variation depending on the approach each applicant will take. This is a challenging arena, and further support would be appreciated so that applicants are given a fair chance to compete.

Exhibit G

Page 50

The second list of bullets includes, “How the project will achieve with-project conditions”. It isn’t clear what information is being requested, as it would seem the project will achieve with-project conditions simply by being implemented.

The paragraph on Ecosystem Restoration states, “Note that without- and with-project conditions will be the same for ecosystem preservation.” Clearly, there is no guarantee that any existing undeveloped area will remain that way for the next 50 years. This note is essentially saying that there are no benefits obtained from protection of existing habitat. We urge you to remove that comment.

Exhibit I

Page 58

This exhibit requires applicants to include in Attachment 10, “A description of the project objectives and benefits, including quantitative estimates of the water supply, water quality, and additional benefits that will accrue due to implementation...” This seems to repeat the information included in Exhibit F.

Thank you for the opportunity to provide input on this program solicitation package. If you have any questions regarding our comments, please contact me or Maureen Peine at (415) 281-0479.

Sincerely,

Steve Johnson
Director of Policy & Government Relations